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June 1, 2023

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and U.S. Certified Mail

Mr. Dean Ulibarri, General Adjuster
Network Adjusters, Inc.
Stanford Place I
8055 East Tufts Ave., #600
Denver, CO 80237

RE: Our Clients: Amy Knight and Nicholas Ball
Business: Café 420 LLC
D/Loss: October 9, 2022
Claim No: CGF000582 and CGF00586

Dear Mr. Ulibarri:

We received your Reservation of Rights letter on or about April 12, 2023. This correspondence is in response to that letter and your second letter dated May 22, 2023.

Mr. Nick Ball, the insured's husband, installed the central fire alarm system at Café 420. That system contained CO2 and smoke detector units. Café 420 utilized a Kerui alarm system that alerted the fire department, police department and Amy and Nick Ball. Enclosed is a photograph of the Kerui alarm system. It operated through Charter Communications or Cable. Mr. Ball maintained that system on a daily basis.

Mr. Ball owned and operated Smokey Mountain Wireless. He was qualified to install the system and it would have cost \$50,000.00 to \$60,000.00 if installed by a third party. Enclosed is a copy of the news article about their business.

AFIC hired Brian Van Zutphen as an independent insurance inspector to inspect Café 420 prior to issuing the initial policy. Mr. Van Zutphen was at Café 420 on at least two occasions. I understand Mr. Van Zutphen is now working for Sedgwick who also employs Mr. Reading, your lead investigator. Mr. Van Zutphen called Amy Ball right after the fire. He remembered doing the inspection for AFIC. You might want to speak with him about the fire alarm system.

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The building where Café 420 was located was the Whaley Hotel when it was originally built. There were a number of other tenants in the building when it burned. We believe some of those tenants also had a central fire alarm system as well. We will have that information soon. I enclose a picture of where the fire started which was captured by Mr. Ball's surveillance system.

From my client's perspective, the only thing that Network, Sedgwick (Mr. Reading) and AFIC have done since this loss occurred on October 9, 2022, is to attempt to find a method to avoid paying a valid claim. In Tennessee, we call that "bad faith". Consider this our initial Notice of Bad Faith on the part of AFIC, Network and Sedgwick (Mr. Reading).

This policy provides for start up expenses and loss of business income. AFIC offered no financial assistance of any kind to our clients. Mr. Reading has made token efforts toward helping our clients when he, in fact, has been working against Café 420 and Ms. Ball from the inception of this loss.

I called you directly to discuss this matter. Are you going to return my call?

Sincerely,



P. Richard Talley

PRT/yh

Xc: Jill Talley, Esq.

Amy Knight and Nicholas Ball



Smoky Mountain Wireless now open

Nov 30, 2016 0



Newport residents Nicholas and Amy Ball have opened Smoky Mountain Wireless, a new hometown wireless store offering flexible prepaid cellular phones, accessories, home phones, and Internet services to their customers. They also offer wireless alarm systems and home/business surveillance systems. The business is located at 322 West Broadway. Their telephone number is 423-608-3681.

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